

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIRST LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 171

Introduced by Nantkes, 46.

Read first time January 12, 2009

Committee: Revenue

A BILL

1 FOR AN ACT relating to the Nebraska Advantage Research and
2 Development Act; to amend section 77-5803, Revised
3 Statutes Cumulative Supplement, 2008; to change the
4 research tax credit; to provide an operative date; and to
5 repeal the original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-5803, Revised Statutes Cumulative
2 Supplement, 2008, is amended to read:

3 77-5803 (1) Any business firm which makes expenditures
4 in research and experimental activities as defined in section 174
5 of the Internal Revenue Code of 1986, as amended, in this state
6 shall be allowed a research tax credit as provided in the Nebraska
7 Advantage Research and Development Act. The credit amount shall
8 equal ~~fifteen~~ thirty percent of the federal credit allowed under
9 section 41 of the Internal Revenue Code of 1986, as amended, or as
10 apportioned to this state under subsection (2) of this section. The
11 credit shall be allowed for the first tax year it is claimed and
12 for the four tax years immediately following.

13 (2) For any business firm doing business both within
14 and without this state, the amount of the federal credit may
15 be determined either by dividing the amount expended in research
16 and experimental activities in this state in any tax year by the
17 total amount expended in research and experimental activities or
18 by apportioning the amount of the credit on the federal income tax
19 return to the state based on the average of the property factor
20 as determined in section 77-2734.12 and the payroll factor as
21 determined in section 77-2734.13.

22 Sec. 2. This act becomes operative for taxable years
23 beginning or deemed to begin on or after January 1, 2009, under the
24 Internal Revenue Code of 1986, as amended.

25 Sec. 3. Original section 77-5803, Revised Statutes

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1 Cumulative Supplement, 2008, is repealed.